



DEPARTMENT OF THE ARMY
HEADQUARTERS, US ARMY ARMOR CENTER
506 OLD IRSONSIDES AVENUE
FORT KNOX, KENTUCKY 40121-5108

REPLY TO
ATTENTION OF:

PECP-SWR-F

6 May 2009

MEMORANDUM FOR

Commanders, All Units Reporting to This Headquarters
Directors and Chiefs, Staff Offices/Departments, This Headquarters

SUBJECT: Thunderbolt Policy Memo No. 43-13 – Recruitment, Relocation, and Retention Allowances

1. References:

a. 5 CFR, Part 575, Recruitment, Relocation, and Retention Allowances and Supervisory Differentials.

b. Memorandum, USD (P&R), 21 September 2006, subject: Implementation of Recruitment, Relocation, and Retention Incentives.

c. Memorandum, HQDA, DAPE-CPZ, 3 April 2008, subject: Implementation of Recruitment, Relocation, and Retention Incentives.

d. Memorandum, HQ TRADOC, ATBO-C, 30 June 2008, subject: Delegation of Authority to Approve Civilian Recruitment, Relocation, and Retention Incentives.

2. Sections 5753 and 5754, Title 5, United States Code, and Part 575, Subparts A, B, and C, Title 5, Code of Federal Regulations, authorize the payment of recruitment, relocation, and retention incentive payments designed to provide flexibility to recruit, relocate, and retain highly skilled employees in hard-to-fill positions. With today's dynamic job market and the demands for more high-technology skilled employees, pressure has been increased to offer significant incentives to attract and retain the best candidates for meeting the challenges of the future. This policy supplements DOD and DA policy and provides Armor Center/Armor School processing procedures for the administration and payment of these incentives.

3. Reference b outlines the criteria for each of these incentives. It also specifies the information/analysis that must be included in individual requests. Officials using this authority must ensure the DOD Interim Plan and Procedures is used to execute this program. Requests for approval of these incentives must be forwarded before initiating the recruitment process for the vacancy. Advanced approval of one or more of the incentives is advantageous so that a timely offer can be made for committing the applicant to the vacancy. Even though a specific

PECP-SWR-F

SUBJECT: Thunderbolt Policy Memo No. 43-13 – Recruitment, Relocation, and Retention Allowances

percentage amount may be approved, the selecting official/supervisor is expected to negotiate with the applicant/employee and arrive at the least amount necessary to recruit/retain the employee.

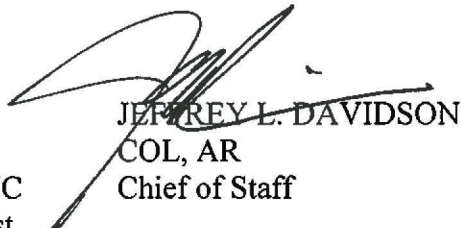
4. Request for approval of any of the pay incentives will be forwarded through the G4/G8 and the Civilian Personnel Advisory Center (CPAC). The G4/G8 will review the request for monetary impact on the organization or installation budget. The CPAC is responsible for reviewing the request and ensuring it meets the criteria for the specific incentive. After completion of review by the G4/G8 and CPAC, the request will be submitted to the Chief of Staff, USAARMC, for approval.

5. Based on projected employment needs, the use of these incentives offers greater potential to hire individuals with superior skills, knowledge, and abilities in hard-to-fill and critical jobs. I expect managers and supervisors to exercise sound judgment in fulfilling their fiduciary responsibilities when requesting approval of these incentives.

FOR THE COMMANDER:

3 Encls

1. 3R Incentives Quick Reference
2. PECP-SWR Form 1354, USAARMC Human Resource Incentives Request and Approval Form
3. FK Form 5065-E, Recruitment, Relocation and Retention Service Agreement



JEFFREY L. DAVIDSON
COL, AR
Chief of Staff

DISTRIBUTION:

C

CF:

CDRs, Fort Knox Partners in Excellence

RECRUITMENT, RELOCATION, AND RETENTION (3R) INCENTIVES QUICK REFERENCE

1. Basic Pay. Basic pay, for the purpose of calculating an incentive, is an employee's rate of basic pay, which includes a special rate of pay, a locality payment, or similar payment under other legal authority but excludes additional pay of any other kind.

2. Recruitment Incentive. A recruitment incentive, up to 25 percent of an individual's annual rate of basic pay, may be paid to attract candidates (not currently employed by the Federal Government) at the new location and for new employees at the losing organization to continue critical mission requirements. The individual must sign an agreement stating the terms, limitations, or conditions of service.

3. Retention Incentive. A retention incentive, up to 25 percent of an employee's annual rate of basic pay, may be offered if the following conditions exist:

a. The employee possesses unusually high or unique qualifications or whose skills meet a special need.

b. It is essential the employee be retained.

c. In the absence of the incentive, the employee would likely leave his or her position for a different position in the Federal Service before the closure or relocation of the office, facility, activity, or organization or would likely leave Federal Service. A retention incentive up to 10 percent may also be offered to an eligible group or category of employees when it can be proven there is high risk that a significant number of the group would leave the agency in the absence of the retention incentive.

4. Relocation Incentive. A relocation incentive, up to 25 percent of an employee's annual rate of basic pay, in effect at the beginning of the service period may be paid to a current employee who must relocate (without a break in service) to a different commuting area if it is determined the position is likely to be difficult to fill. The employee must establish a residence in the new geographic area before the relocation incentive is paid.

5. Eligibility.

a. Recruitment Incentive. An eligible employee is one who is newly appointed to a General Schedule (GS), National Personnel Security System (NSPS), Senior Executive Service (SES), senior-level (SL) and scientific or professional (ST), or other prevailing rate position. A prospective employee must receive a written employment offer and sign a service agreement to be eligible for this incentive. A new appointment is the first appointment to Federal Government, an appointment following a break in service of at least 90 days, or, in certain cases, an appointment following a break of less than 90 days from a previous qualifying appointment.

Encl 1 to memo, HQ USAARMC, PECP-SWR-F, 6 May 09, subject: Thunderbolt Policy Memo No. 43-13 – Recruitment, Relocation, and Retention Allowances

This includes an individual when his/her service in the Federal Government during the 90-day period immediately preceding the appointment was limited to one or more of the following:

- (1) A time-limited appointment in the competitive or excepted service.
- (2) A non-permanent appointment (excluding a Schedule C appointment) in the competitive or excepted service.
- (3) Employment with the District of Columbia (DC) when the candidate was first appointed by the DC government on or after 1 October 1987.
- (4) An appointment as an expert or consultant.
- (5) Employment under a provisional appointment designated.
- (6) Employment under the Student Career Experience Program.

Employees excluded from eligibility are Presidential appointees; non-career SES appointees; or positions accepted from the competitive service by reason of confidential, policy-determining, policy-making, or policy-advocating natures; agency heads; or those expected to receive an agency head appointment.

b. Retention Incentives.

(1) An eligible employee is one assigned to a GS, NSPS, SES, SL, ST, or other prevailing rate position. Excluded from eligibility are Presidential appointees; non-career appointees in SES positions accepted from competitive service by reason of their confidential, policy-determining, policy-making, or policy-advocating nature.

(2) The employee's official appraisal must be at least "Fully Successful." As a Retention incentive for those likely to leave for a different Federal position, the employee must have been provided a general or specific written notice that his/her position may or would be affected by the closure or relocation of the office, facility, activity, or organization (e.g., the employee's position may or would move to a new geographic location, or the employee's position may or would be eliminated).

c. Relocation Incentive. Positions eligible for consideration of a relocation incentive are GS, NSPS, SES, SL, ST, or other prevailing rate positions or those which OPM has approved payment. Payments are restricted to current employees, and the incentive is not considered part of basic pay.

6. Approval Criteria. The CofS, USAARMC, has been delegated approval authority. While incentives up to 25 percent of the annual rate of basic pay may be authorized, management is expected to determine the rate most advantageous to the government. The actual offering of any incentive to an employee is contingent upon factors such as funding, employee qualifications, and higher-level approval. All initial negotiations with the employee are tentative offers. To

finalize any offer of an incentive, the manager/supervisor must submit a request package to the CofS containing applicable information, as further outlined.

a. Recruitment Incentive – When applicable, the offer of a recruitment incentive must be included in the vacancy announcement. The incentive request must include the following:

- (1) position description,
- (2) vacancy announcement,
- (3) proposed employee salary and, if applicable, competitive salary offers from private sector,
- (4) amount of incentive requested and criteria by which the incentive was determined,
- (5) whether a superior qualifications appointment is also offered, accepted, or rejected, and, if not, the factors used to determine that a recruitment incentive is more appropriate, and
- (6) justification that documents the position is difficult to fill, including supporting data such as the following:
 - (a) results of recent efforts to recruit for similar positions, as evidenced by proof such as offer/acceptance rates, number of pending vacancies, and/or length of time to fill similar positions,
 - (b) recent turnover in similar positions,
 - (c) labor market factors that may impact the ability to recruit,
 - (d) special qualifications needed, and
 - (e) feasibility of offering a superior qualifications appointment either separately or in conjunction with the recruitment incentive. Approval may be requested for groups of positions that have been historically difficult to fill.

b. Retention Incentive – The incentive request must include the following:

- (1) position description;
- (2) statement the employee is performing at or above a fully successful or equivalent rating level;
- (3) description of the unique or unusually high qualifications of the employee(s) and reason these qualifications are essential to meet the organization's mission;

(4) Impact of departure on the organization's ability to complete its mission or perform a function essential to the mission;

(5) basis for determining the amount of the retention incentive, the timing of the incentive payments, and length of the service period must also be documented; and

(6) justification must provide proof the employee(s) are likely to leave the Federal Government. Proof includes such factors as success of recent efforts to recruit and retain employees with similar qualifications, availability of candidates who could perform the full range of duties with minimal training or disruption of service, and proof of a recent job offer outside of the Federal Government.

c. Relocation Incentive – When applicable, the offer of a relocation incentive must be included in the vacancy announcement. In order to request a relocation incentive, management must submit a request that certifies that absent a relocation incentive, it would be difficult to fill the position with a highly-qualified employee. The incentive request must include the following:

(1) results of recent efforts to attract quality candidates for similar positions, as evidenced by proof, such as offer/acceptance rates, number of pending vacancies, and/or length of time to fill positions;

(2) recent turnover in similar positions;

(3) labor market factors that may impact the ability to recruit;

(4) special qualifications needed to fill the position;

(5) position description; and

(6) relocation incentive offered.

7. Payment of Incentives. Under no circumstance will an incentive be finalized or paid without prior approval by the CG. The incentive is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay. Payment is considered income for Federal income tax purposes. An employee is limited to receive payment for one incentive at a time.

a. Recruitment Incentive – The incentive is calculated by determining the percentage of basic pay multiplied by the number of months/years in the service period (not to exceed 4 years). The total incentive may not exceed 100 percent of the employee's annual rate of basic pay at the beginning of the service period. The incentive payment may be paid as a lump sum at the beginning of the service period, in installments, or as a final lump sum payment upon completion of the service period, or a combination of methods. A recruitment incentive is not part of an employee's rate of basic pay.

b. Retention Incentive – The incentive may be paid as installments, after completion of the specified periods within the service period specified by the service agreement, or in a lump sum upon the completion of the service period. The retention incentive may not be paid as an initial lump sum at the start of the service period or in advance of fulfilling the service period for which the retention incentive is received. If paid as an installment, the payment is computed at the full retention incentive percentage rate or at a reduced rate with the remaining deferred until completion of the full-service period.

c. Relocation Incentive – In all cases, the employee must establish a residence in the new geographic area before the agency may pay the employee a relocation incentive. An incentive may not be authorized or continued if it would result in the employee's aggregate compensation in a calendar year to exceed the rate for Level I of the Executive Schedule.

8. Service Agreements.

a. All incentives require the completion of a service agreement (FK Form 5065-E, Recruitment, Relocation, and Retention Service Agreement). The employee(s) must sign a written agreement to complete a specified period of service prior to receiving an incentive. It must specify the incentive percentage rate, method and timing of the payment, conditions under which the agreement will be terminated, obligation of the organization if the agreement is terminated, any obligation of the organization to make additional payments for partially completed service, and other terms/conditions for receiving and retaining the incentive. The minimum service period to receive a recruitment or relocation incentive is 6 months, and the maximum is 4 years.

b. By law, a retention incentive does not require a written service agreement if paid via bi-weekly installments, and the incentive is reviewed and certified annually.

9. Termination of Incentives.

a. Mandatory - The service agreement must be terminated if the employee is demoted or separated for cause, e.g., unacceptable performance or conduct, receives an appraisal below "Fully Successful" or equivalent during the service agreement, or in other ways, fails to fulfill terms of the service agreement. The employee is entitled to retain payments previously paid for the completed portion of the service period. However, the employee is not entitled to further payments, including payments not yet received for completed service, unless this payment is required under the terms of the service agreement.

b. Mandatory Repayment – If the service agreement for a recruitment incentive is terminated as a result of the employee being separated for material false or inaccurate statements or deception, fraud in examination or appointment, or failing to meet employment qualifications, the employee must repay all recruitment incentive payments received under that service agreement.

c. Discretionary.

(1) Recruitment and Relocation Incentives – Upon approval authority's concurrence, the service agreement may be unilaterally terminated based upon the needs of the organization. In such an instance, the employee may retain any payments made under the service agreement and those to be paid for the completed service period.

(2) Retention Incentives – Upon approval authority's concurrence, management has authority to reduce or terminate the retention incentive based upon the needs of the organization, e.g., budgetary reasons or the employee's services are no longer essential. However, the employee will receive and retain any payment due for completed service.

d. Notification of Termination – The employee will be notified in writing by the organization when a service agreement is terminated. Copies must be provided to the CPAC.

**UNITED STATES ARMY ARMOR CENTER
HUMAN RESOURCE INCENTIVES REQUEST AND APPROVAL FORM**

1. INTRODUCTION.

a. Managers must include this document with all hiring actions for which use of a Human Resource (HR) Incentive is requested. Indicate which options and incentives you are requesting in conjunction with each recruitment action. Managers may offer incentives for critical positions or when a job series/grade becomes critically short. Hiring officials are reminded to check with their servicing Civilian Personnel Advisor Center (CPAC) specialist regarding recruitment and merit placement/promotion requirements contained in the local collective bargaining agreement.

b. This document is intended to be used with the USAARMC Hiring Managers Incentives and Recruitment Guide. The guide provides information on the intent, usage, limitations, and approval authority for each option and incentive. For information not found in the guide, contact your local CPAC representative.

c. Submit initial Incentives Request and Approval Form or justification with the Request to Initiate (R2I) Form to G4/G8. Upon selection of candidate, submit final document through CPAC to G4/G8 AZTK-RM. Final document should identify selectee, requested percentage, and estimated incentive payment amount.

2. INCENTIVES.

a. **Justification.** Incentives will only be authorized if one of the following applies:

(1) Position approved by Fort Knox Chief of Staff (CofS) for consideration of USAARMC HR Incentive.

(2) Series/grade is critical because it is below 75 percent fill within the organization/skills group.

(3) Position is historically hard to fill.

(4) There is a need to retain employees with unusually high or unique qualifications or who fulfill a special agency need.

b. **Type of Incentive.**

(1) _____ **First Duty PCS.**

- Intended for new federal employees.
- Can be used with other incentive programs such as the Federal Career Intern Program.
- Is not a full Joint Travel Regulation move.
- A service agreement is required.
- Final Approving Authority: USAARMC CofS.

Manager's justification statement: _____

(2) _____ Student Loan Repayment Program.

- Applies to new hires or current federal employees.
- Must have approval prior to employee signing work contract.
- Requires service agreement: minimum period of 3 years, regardless of the amount of loan repayment authorized. Increases or renewals of payments made under this part can be made without requiring the employee to enter into a new service agreement.
- Requires a mobility agreement.
- Final Approving Authority: Requires G4/G8 coordination.
- Individuals become ineligible for continued repayment if they (1) separate from the agency, (2) do not maintain an acceptable level of performance, or (3) violate any conditions of the service agreement.
- Estimated amount: Up to \$10,000 per calendar year subject to a cumulative maximum of \$60,000 per employee.

Manager's justification statement: _____

(3) _____ Relocation Incentive.

- Used for hard-to-fill positions when normal recruitment actions have failed.
- Up to 25 percent of the adjusted pay or \$20,000, whichever is less.
- Requires, at a minimum, a 6-month service agreement.
- Service agreements will terminate when an employee is demoted, is separated for cause, or receives a less than "Fully Successful" or equivalent rating of record. Authorized management official may unilaterally terminate the agreement based solely on management needs such as Reduction In Force (RIF) or insufficient funds.
- Employee may not grieve or appeal decisions to terminate the agreement.
- Final Approving Authority: USAARMC CofS.
- Percent Offer: _____%. Estimated Amount: \$_____.

- Options for payment:
 - Lump sum at beginning of the service period.
 - Bi-weekly installments throughout the service period.
 - Lump sum at end of service period.
- To be eligible for receiving a relocation incentive, an employee must have a rating record of at least "Fully Successful" or equivalent for the position held immediately before the move.

Manager's justification statement must include the following:

- Determination the position is likely to be difficult to fill in the absence of an incentive.
- Supporting factors used to authorize the incentive.
- Reasons for determining the amount and timing of the payments.
- Reasons for determining the length of the service period.
- Affirmation that the employee's new position is in a different geographic area (i.e., worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move or affirmation that the 50-mile requirement was waived).
- Affirmation that the employee established a residence in the new geographic area.

Manager's justification statement: _____

(4) _____ Recruitment Incentive.

- Used for hard-to-fill positions when normal recruitment actions have failed.
- Must relocate to a different commuting area.
- Up to 25 percent of basic pay (includes locality or special salary supplement).
- A service agreement is required.
- Service agreements will terminate when an employee is demoted, is separated for cause, or receives a less than "Fully Successful" or equivalent rating of record. Authorized management official may unilaterally terminate the agreement based solely on management needs such as RIF or insufficient funds.

- Employee may not grieve or appeal decisions to terminate the agreement.
- Final Approving Authority: USAARMC CofS.
- Percent Offer: ____%. Estimated Amount: _____.
- Options for payment:
 - Lump sum at the beginning of service period.
 - Bi-weekly installments throughout the service period.
 - Lump sum at the end of the service period.

Manager's justification statement must include the following:

- Determination the position is likely to be difficult to fill in the absence of an incentive.
- Supporting factors used to authorize the incentive.
- Reasons for determining the amount and timing of the payments.
- Reasons for determining the length of the service period.

Manager's justification statement: _____

(5) _____ Retention Incentive.

• Used when an individual possesses unusually high or unique qualifications or a special need of the organization for the employee's services makes it essential to retain the employee, and in the absence of the incentive, the employee would likely leave his or her position for a different position in the Federal Service before the closure or relocation of the his or her office, facility, activity, or organization or leave Federal Service.

- Up to 25 percent of basic pay (includes locality or special salary supplement).
- Service agreement required unless individual receives incentive in bi-weekly installments.
- Employee may not grieve or appeal decisions to terminate the agreement.
- Final Approving Authority: USAARMC CofS.
- Percent Offer: ____%. Estimated Amount: _____.

- Options for payment:
 - Installment payments with partial final lump sum.
 - Installment payments only.
 - Final lump sum only.
- Retention incentives must be reviewed annually.

Manager's justification statement must include the following:

- Determination that the employee's unusually high or unique qualifications (or group of employees) or a special need of the agency for the employee's (or group of employees') services makes it essential to retain the employee(s).
- Determination that the individual employee, or a significant number of a targeted group of employees, would be likely to leave the Federal service in absence of the incentive.
- Reasons for determining the amount and timing of payments.
- Reasons for determining the length of the service period if a period of service is required.

Manager's justification statement: _____

(6) _____ Permanent Change of Station (PCS) Expenses.

- Use selectively for vacancies that are historically hard to fill.
- Commits the command to paying full JTR benefits.
- Final Approving Authority: Not applicable. Requires G4/G8 coordination.
- Location: _____. Estimated Cost: \$65,000.

(7) _____ Advance in Hire.

- Used to set salary for a new employee at a rate above the minimum rate of a GS grade because of the candidate's superior qualifications or a special need for the candidate's services.
- Determination must be in writing and should be reviewed by the CPAC and approved by the USAARMC CofS.

- Factors to consider:
 - Candidate's level, type, or quality of skills or competencies.
 - Candidate's existing salary, recent salary history, or salary documented in a competing job offer, taking into account the location where the salary is, was, or would be earned, compared to rates payable (including locality or special rates) in the same location.
 - Significant difference in the Federal and non-Federal salaries for the skills and competencies required in the position to be filled.
 - Labor market conditions and employment trends, including recent turnover and the availability and the quality of candidates based on recent efforts to recruit individuals for the same or similar positions.
 - Importance/criticality of the position to be filled and effect on the agency or mission if the position is not filled or there is a delay filling it.
 - Desirability of the geographic location, duties, and/or work environment associated with the position.
 - Workforce needs, as documented in the agency strategic human capital plan.
- No service agreement required.
- Not applicable for National Security Personnel System positions.
- Can be used with recruitment or first time PCS expenses.

3. OTHER.

a. **Mobility Agreement.** At this time, used for positions that will take extensive training; low density, require specialized skills; are difficult to fill; and/or when offering monetary incentives.

Manager's comments: _____

b. **Service Agreement.** Requirement for recruitment and relocation bonuses.

Manager's comments: _____

c. **Other Comments:** _____

4. SELECTEE'S NAME AND CONTACT INFORMATION.

Name:

E-mail Address:

Phone Number:

5. RECOMMENDING OFFICIAL.

PRINTED NAME

SIGNATURE

DATE

6. APPROVING OFFICIAL (COMMANDER/DIRECTOR).

PRINTED NAME

SIGNATURE

DATE

7. HUMAN RESOURCES.

☐ Concur

☐ Non-concur

DIRECTOR, CPAC
(PRINTED NAME)

SIGNATURE

DATE

8. G4/G8.

\$ _____

☐ Concur

☐ Non-concur

DIRECTOR, G4/G8
(PRINTED NAME)

SIGNATURE

DATE

9. APPROVING OFFICIAL.

☐ Approved

☐ Disapproved

CHIEF OF STAFF, USAARMC
(RANK AND PRINTED NAME)

SIGNATURE

DATE

For use of this form, see 5 CFR, Parts 530 and 575

DISCLOSURE: Voluntary; however, failure to provide information may result in employee not receiving Recruitment, Relocation, or Retention Incentive.

| | | | | |
|--|----------------------------|---------------------------------|--|--|
| 1. NAME (Print or type Last, First, Middle): | | 2. SSN | 3. LOCATION | |
| 4. TITLE, SERIES, GRADE | | 5. ANNUAL RATE OF PAY | 6. TYPE OF INCENTIVE (Recruitment, Relocation, Retention): Percentage: % | |
| 7. PERIOD OF SERVICE: | 8. SERVICE BEGIN DATE: | 9. SERVICE END DATE: | 10. TOTAL AMOUNT AUTHORIZED: | |
| 11. METHOD OF PAYMENT: | | | | |
| a. Lump Sum (Beginning): | b. Installments (Specify): | c. Final Lump Sum (Completion): | d. Other (Specify): | |

In consideration of the incentive benefits for which I qualify, implemented by the regulations of the U.S. Office of Personnel Management (5 CFR, Parts 530 and 575), the policies of the Department of the Army, HQ TRADOC, and Fort Knox, I hereby agree: (Subject to the conditions stated in this document add and amend, as necessary.)

- c. I understand that.

d. This agreement does not in any way commit the government to continue my employment until the expiration date.

| | | |
|--|-----------|------|
| EMPLOYEE (TYPED NAME AND TITLE) | SIGNATURE | DATE |
| NOMINATING OFFICIAL (TYPED NAME AND TITLE) | SIGNATURE | DATE |
| APPROVING OFFICIAL (TYPED NAME AND TITLE) | SIGNATURE | DATE |
| HUMAN RESOURCE REPRESENTATIVE (TYPED NAME AND TITLE) | SIGNATURE | DATE |

FK PE V L O O E S

Encl 3 to memo, HQ USAARMC, PECP-SWR-F, 6 May 09, subject: Thunderbolt Policy Memo No. 43-13 – Recruitment, Relocation, and Retention Allowances